

CONTRACT FOR REHABILITATION

KNOW ALL MEN BY THESE PRESENT:

GRANTEE _____ TENNESSEE

THIS AGREEMENT made this _____ day of _____ 20____ by and between
_____ hereinafter referred to as "OWNER" and
_____ hereinafter referred to as "CONTRACTOR".

WITNESSETH:

The OWNER does hereby employ the CONTRACTOR to do all the work and provide all materials, tools, machinery, supervision, etc. necessary for the rehabilitation of the property known as _____ for the total sum of _____ Dollars (\$ _____), all in accordance with the estimate, plans, and specifications which are attached hereto as the Work Write-up and expressly incorporated herein by reference and made a part hereof.

Section I General Conditions

The Bid and Proposal shall be accepted by the OWNER within ten (10) days from the date for receiving the proposal, but no work shall be commenced by the CONTRACTOR until he/she has received a written Proceed Order from the OWNER.

The OWNER shall issue a written Proceed Order within ten (10) days for the date of acceptance of the CONTRACTOR'S Bid and Proposal. If the order is not received by the CONTRACTOR within this ten (10) day period, the CONTRACTOR has the option of withdrawing his bid and proposal.

The CONTRACTOR must commence work within fifteen (15) days after issuance of the Proceed Order. At the option of the OWNER this contract may be cancelled by failure of the CONTRACTOR to begin work on the date specified.

The CONTRACTOR must satisfactorily complete the work within sixty (60) days after issuance of the Proceed Order in accordance with this agreement and in good workmanlike and substantial manner.

SECTION II HOME Applicable Laws & Regulations

Homes must comply with all applicable standards listed below:

1. Executive Order 11246 Requirements as provided in Exhibit A shall apply and be made part of all contracts when the sum to be charged for the work is \$10,000 or more.
2. Prohibition of the Use of Lead-Based Paint. The construction or rehabilitation of residential structures is subject to the HUD Lead-Based Paint regulations 24 CFR Part 35. The CONTRACTOR and Subcontractors shall comply with the provisions for the elimination of lead-based paint hazards under sub-part B of said regulations. The OWNER will be responsible for the inspections and certifications required under Section 35.14(f) thereof.

3. Section 92.350 Equal Opportunity & Fair Housing 24 CFR 207.
4. Section 92.351 Affirmative Marketing.
5. Section 92.354 Labor.
6. Section 92.356 Conflict of Interest 24 CFR 24.
7. Section 92.357 Debarment and Suspension 24 CFR 24.
8. Uniform Relocation Assistance and Real Estate Property Acquisition Policies Act of 1970 as amended implementing Regulations A7 49 CFR. Part 24 and the requirements of 24 CFR 92.353.
9. Section 92.251 Property Standards 24 CFR Part 92.
10. Cost Effective Energy Code 24 CFR 39 on substantial rehabilitation and reconstruction.
11. The contractor must provide a drug-free workplace in compliance with the Rehabilitation Act of 1973 as amended.
12. HUD Accessibility Standards in accordance with Architectural Barriers Act 42 U.S.C. 4151-4157.
13. Americans with Disabilities Act of 1990 (Title 28 of the CFR Part 36).
14. All state and local codes and ordinances.

SECTION III Requirements

1. The work to be performed under this contract is on a project assisted under the State HOME program which provides Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968 as amended 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 134 and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
3. The CONTRACTOR will send to each labor organization or representative of workers with which he/she has a collective bargaining agreement or other contact or understanding if any, a notice advising said labor organization or workers' representative of his/her commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The CONTRACTOR will include this Section 3 clause in every subcontract for work in connection with the project and will at the direction of the applicant for or recipient of Federal financial assistance take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development 24 CFR Part 135. The CONTRACTOR will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3 the regulations set forth in 24 CFR Part 135 and all applicable rules and orders of the Department issued hereunder prior to the execution of the contract shall be condition of the Federal financial assistance provided to the project binding upon the applicant or recipient for such assistance its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient its contractors or subcontractors its successors and assigns to those sanctions specified by the grant or loan agreement or contract

through which Federal assistance is provided and to such sanctions as are specified by 24 CFR Part 135.

The CONTRACTOR shall comply with the applicable regulations of the Secretary of Labor. United States Department of Labor made pursuant to the so-called "Anti-Kickback Act" of June 13, 1934 (48 Stat. 94B: 62 Stat. 862: Title 18 U.S.C. Section 874 and Title 40 U.S.C.. Section 276c) and any amendments or modifications thereof shall cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto and shall be responsible for the submission of statements required of subcontractors thereunder except as said Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances and exemptions from the requirements thereof.

The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places available to employees and applicants for employment notices to be provided by the municipality setting forth the provisions of this non-discrimination clause.

Grievance Procedure

Disputes between the homeowner. Grantee and CONTRACTOR may arise from time to time during the life of the rehabilitation project. In those instances where a mutually satisfactory agreement cannot be reached between the parties the grievance procedure should be followed.

Issues relating to policies and procedures of the rehabilitation program.

- The grievance by the homeowner or CONTRACTOR is to be filed with the program administrator in writing.
- The program administrator will meet with the homeowner/CONTRACTOR and negotiate a solution if this fails.
- The program administrator will forward the complaint and documentation of his/her attempts to resolve it to the local elected body who shall make a determination.
- If the local elected body is unable to negotiate a solution, the program administrator will contact the Community Programs Division of THDA.

Issues relating to complaints about the performance of the rehabilitation contract should proceed in the following manner.

All claims or disputes between the Owners and Contractor arising out of or related to the work shall be decided by arbitration in accordance with the construction industry arbitration rules of the American Arbitration Association then obtaining, unless the parties mutually agree otherwise. The Owners and Contractor shall submit all disputes or claims regardless of the extent of the workers progress to (name of arbitrator) unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be filed in writing with the other party to this Remodeling and Construction Agreement and shall be made within a reasonable time after the dispute has arisen. The award rendered by the arbitrator shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. If the arbitrator's award is in a sum which is less than that which was offered in settlement by the Contractor the arbitrator may award costs and attorney's fees in favor of the Contractor. If the award of the arbitrator is in a sum greater than that which was offered in settlement by the Owners, the arbitrator may award costs and attorney's fees in favor of the Owners. The affected parties may institute litigation.

The Grantee should keep documents and records of the grievance procedure. The Grantee may release funds to the CONTRACTOR for items on the work write-up which are completed and undisputed.

No member of the Grantee staff and no officer, employee, or member of the governing body of the Grantee who exercises any functions or responsibilities in connection with the carrying out of the project to which this agreement pertains shall have any private interest, direct or indirect in the agreement.

In the event violation of applicable codes and/or health and safety violations are discovered during construction said violations shall be inspected by the Housing Rehabilitation inspector and OWNER and CONTRACTOR agree to add correction of the code violations and/or health and safety violations if funds are available. In the event funds are not available the violations which are more severe will be corrected first with an appropriate change order.

This instrument constitutes the entire agreement between the parties and no written or oral agreement of any kind exists to change these provisions. Specifically no "side" or "additional" contracts are to exist between the Homeowner and CONTRACTOR until this contract is completed unless it is a written contract signed by both parties and must be approved by the Grantee.

Change orders must be done on the appropriate form (HO-16) and must be signed by the Homeowner, Contractor, and Grantee official. The Tennessee Housing Development Agency must approve any change order in excess of 10% of the original contract price.

SECTION IV Statement of Work

THE CONTRACTOR SHALL:

Perform the work diligently and in a good workmanship manner using the materials specified or materials of at least equal quality.

Be responsible for obtaining all necessary permits for the work to be performed and the work being done or any part thereof shall not be deemed completed until same has been accepted as satisfactory by the Owner or by the Grantee.

Be responsible for when adjacent property is affected or endangered by any work done under this contract taking whatever steps are necessary for the protection of the adjacent property and for notifying the OWNER thereof of such hazard.

Agree not to assign or sublet this contract without the written consent of the OWNER. The request for the assignment shall be addressed to the OWNER c/o the Grantee.

Covenant and agree to and to hereby indemnify and to hold harmless and defend the OWNER, the Grantee and the State of Tennessee their agents, servants or employees, from against any and all claims for injuries or damages to persons or property of whatsoever kind of character whether real or asserted arising out of this agreement of the work to be performed hereunder. The CONTRACTOR hereby assumes all liability and responsibility for injuries, claims or suits for damages to persons or property of whatsoever kind of character whether real or asserted occurring during the time the work is being performed and arising out of the performance of same.

Agree not to commence work under this agreement until all insurance required under this program has been secured and such insurance required under this program has been secured and such insurance has been approved by the Grantee.

After the receipt of a written proceed order from the OWNER begin the work to be performed under this contract within fifteen (15) calendar days of the date of such order. Upon commencement of work the CONTRACTOR here by agrees to complete the same within _____ days time being of the essence.

Guarantee the improvements for a period of one year from the date of final acceptance of all work required by this contract. It is further agreed that the CONTRACTOR will furnish the OWNER c/o the Grantee with all manufacturers and suppliers written guarantees and warranties covering materials and equipment furnished under this contract.

At all times keep the premises free from accumulations of waste materials or rubbish caused by his employees at work: and at the completion of the work he shall remove all his rubbish from and about the building and all his tools, scaffolding and surplus materials and shall leave his work "broom clean" or its equivalent. It is further agreed that all materials and equipment that have been removed and replaced as part of the work hereunder shall belong to the CONTRACTOR.

Upon completion of work and upon final payment by the OWNER furnish the OWNER with an affidavit certifying that all charges for materials and any other expenses incurred by the CONTRACTOR pertaining to the execution of this contract have been paid in full to the end that no liens of any kind or character (save and except those between the parties hereto) may be affixed against the above described property. Final payment of the contract amount will be made only after final inspection and acceptance of all work to be performed by the CONTRACTOR and the CONTRACTOR's satisfactory releases of liens or claims for liens by the CONTRACTOR, subcontractor, laborers, and materials suppliers.

Further on completion of all construction work a Notice of Completion shall be filed at the County Register Deeds as required by State law and a registered copy of the document submitted to the Grantee.

Maintain accounts and records including personnel, property, and financial records adequate to identify and account for all costs pertaining to the contract and such other records as may be deemed necessary by the locality to assure proper accounting for all funds. These records will be available for audit purposes to the locality or the State or any other authorized representative and will be retained for three years after contract completion unless permission to destroy them is granted by the locality. Moreover the locality, State or any authorized representative shall have access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

THE OWNER SHALL:

Not permit any changes or additions to the agreement work write-up or plans without approval of the Grantee. If any extras are approved an amendment must be signed by the OWNER and the CONTRACTOR.

Cooperate with the CONTRACTOR to facilitate the performance of the work including the removal and replacement of rugs, coverings, and furniture as necessary.

Permit the CONTRACTOR to use at no cost existing utilities such as light, heat, power, and water necessary to the carrying out and completion of the work.

Agree to occupy the premises during the course of the construction work.

Agree to issue a written proceed order to the CONTRACTOR within ten (10) days from the date of execution of the contract.

Have the option in the event of any breach of this contract and with the Grantee approval to engage the services of another CONTRACTOR to complete the work and to deduct the cost of such completion from any amount due the CONTRACTOR hereunder.

Agree to place the rehabilitation funds in a housing rehabilitation account as arranged by the Grantee and understands that no interest will accrue on the monies placed into the account.

Agree to allow payment in full to the CONTRACTOR from the account subject to the Grantee's acceptance of the Housing Rehabilitation work as satisfactorily completed in accordance with this Contract.

SECTION V Method and Form of Payment

The CONTRACTOR shall upon completion of the work and before final payment by the OWNER furnish the OWNER with an affidavit certifying that all charges for

Materials and any other expenses incurred by the CONTRACTOR pertaining to the execution of this contract have been paid in full. To the end that no liens of any kind or character (save and except those between the parties hereto) may be affixed against the above described property. Final payment of the contract amount will be made only after final inspection and acceptance of all work to be performed by the CONTRACTOR and the satisfactory releases of liens or claims for liens by the CONTRACTOR, subcontractors, laborers, and material suppliers.

SECTION VI Conflict of Interest

No officer or employee of the local jurisdiction or its designees or agents no member of the governing body and no other public official of the locality who exercises any function or responsibility with respect to this contract or the proceeds thereof for work to be performed. Further, the CONTRACTOR shall cause to be incorporated in all subcontractors the language set forth in this paragraph prohibiting conflict of interest.

IN WITNESS WHEREOF the parties have by their duly authorized representatives set out their signatures.

(CONTRACTOR)

(OWNER)

(SIGNATURE)

(SIGNATURE)

DATE

DATE

WITNESSED BY

WITNESSED BY